

# **CORRECTED FISCAL NOTE**

## **SB 3617 – HB 3354**

March 10, 2008

**SUMMARY OF BILL:** Requires that when funds allocated to regional development authorities fall below ten percent of the total of such Tennessee Valley Authority (TVA) impact funds, counties must allocate the shortfall in funds. This bill would impact the Four Lakes Regional Development Authority (Four Lakes).

### **ESTIMATED FISCAL IMPACT:**

On February 26, 2008, we issued a fiscal note on this bill indicating an other fiscal impact of if impact funds for the Four Lakes Regional Development Authority will not be maintained at the same level, counties must make up the difference and county revenue will decrease. The Four Lakes appropriation for FY07-08 is \$1,928,078.84, thus the maximum shift in funds from counties to Four Lakes is \$1,928,078.84. Based on additional information received from the County Technical Assistance Service (CTAS), the fiscal impact for this bill is estimated as follows:

#### **(CORRECTED)**

**Other Fiscal Impact – The Four Lakes Regional Development Authority (Four Lakes) will receive \$650,000 in TVA construction impact funds in FY08-09 rather than \$97,500 under the current allocation. The additional allocation of \$552,500 to Four Lakes will be redirected from funds that would otherwise be allocated to all 95 counties under TVA's payment in lieu of taxes program.**

#### Assumptions:

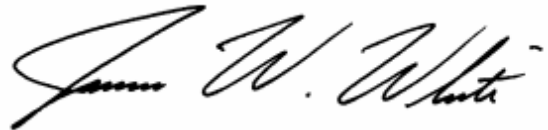
- Under the 2007-2008 Tennessee Revenue Sharing Act, TVA will make a payment of \$269,435,569 for FY07-08. Forty-eight and a half percent of this payment is allocated to state government, 48.5 percent is allocated to local governments, and three percent is allocated as TVA impact funds.

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- TVA impact funds are first designated to TVA designated impact areas, then to CTAS, then to the Tennessee Advisory Commission on Intergovernmental Relations (TACIR), and then to the Four Lakes Regional Development Authority. When a shortfall in impact funds occurs counties would allocate a portion of their 48.5 percent to Four Lakes.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/kmc